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# MICRO ENTERPRISE MARKETING

- CASE: MARKETING COMMUNICATIONS PLAN  
FOR NAVICOM OY



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Marketing communication is important for any company in order to help them to stand out in the crowd. For small companies marketing is even more important. With so many companies to compete with small companies often face the difficulties of operating in the markets. By using marketing communications efficiently small companies can help build a competitive advantage compared to their rivals. But what are suitable methods of marketing communications for a small company? Small companies often lack big marketing budgets that would enable them to get their message across to potential customers. This is the reason small companies seek inexpensive, dynamic and innovative ways when planning their marketing communications efforts.

This thesis focuses on small and micro company marketing communications development. The theoretical framework bases on Kotler's eight steps in developing marketing communications. Using this theory as a framework the thesis aims to find suitable marketing communications methods for a small company. This theoretical basis is used to develop a marketing communications plan for a Turku based IT company Navicom Oy. Navicom provides its customers with information systems services such as vehicle surveillance and task management.

The analysis of various marketing communications tools is conducted in a way that would help the case company Navicom the most. This is the reason the marketing tools analyzed in this study are relatively inexpensive, dynamic and easy to implement. These tools are email marketing, relationship marketing, search engine optimization for example. Using this thesis's suggestions Navicom Oy will implement a renewed marketing communications plan in order to improve their marketing process.

## KEYWORDS:

Micro-enterprise marketing, Navicom Oy

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## MIKROYRITYSTEN MARKKINOINTI

Markkinointiviestinnän avulla yritykset erottelevat itsensä kilpailijoistaan. Tämä on erittäin tärkeää kaikille yrityksille, mutta erityisen tärkeää pienille yrityksille. Markkinat ovat täynnä kilpailijoita, joten usein pienyritykset kokevat haasteita yrityksen pyörittämisessä. Markkinointiviestinnän tehokas hyötykäyttö auttaa pienyrityksiä saavuttamaan kilpailuedun kilpailijoihinsa nähden. Mitkä ovat mikro- ja pienyrityksille tehokkaimmat ja hyödyllisimmät markkinointiviestintätyökalut? Suuriin yrityksiin verrattuna pienillä yrityksillä ei ole samanlaisia markkinointimahdollisuuksia rajatun markkinointibudjetin takia. Tämän takia pienet yritykset etsivät edullisia, dynaamisia sekä innovatiivisia keinoja markkinointia suunnitellessaan.

Tämä opinnäytetyö keskittyy mikro- ja pienyritysten markkinointiviestinnän kehittämiseen. Teoreettinen runko perustuu Kotlerin markkinointiviestinnän kehittämiseen kohdistettuun viitekehukseen. Tätä viitekehystä käyttämällä tämä opinnäytetyö pyrkii etsimään pienille yrityksille soveltuvia markkinointiviestintäkeinoja. Teoreettisen osan havaintoja tullaan käyttämään hyväksi kehitettäessä turkulaisen IT-alan yrityksen, Navicom Oy:n, markkinointiviestintäsuunnitelmaa. Navicom Oy tarjoaa asiakkailleen tietojärjestelmäratkaisuja kuten ajoneuvoseurantaa sekä työajanseurantaa.

Markkinointiviestintätyökalujen analysoinnissa on pidetty mielessä Navicom Oy:n tarpeet ja toiveet ja keskitytty tarkastelemaan vain niitä markkinointiviestinnän keinoja jotka voitaisiin toteuttaa Navicomin markkinointiviestintää kehitettäessä, tästä syystä ei kaikkia mahdollisia markkinointiviestinnän mahdollisuuksia ole tässä opinnäytetyössä käsitelty. Viestintäkeinot joita tässä opinnäytetyössä tarkastellaan ovat edullisia, helposti toteutettavissa olevia sekä muokattavia. Näitä keinoja ovat mm. sähköpostimarkkinointi, hakukoneoptimointi sekä suhdemarkkinointi. Tämän opinnäytetyön ehdotuksia seuraamalla Navicom toteuttaa uudistetun markkinointiviestintäsuunnitelmansa kehittääkseen yrityksen viestintää.

### ASIASANAT:

Mikroyritysten markkinointi, Navicom Oy

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## LIST OF ABBREVIATIONS

4 P's	A marketing strategy. The four P's stand for product, price, place and promotion
B2B marketing	Business-to-business marketing.
CTA	Call-to-action
E-mail	Electronic mail
GPS	Global positioning system
IT	Information technology
OEM	Original equipment manufacturer
Opt-in	A term used in email marketing when a person has given a permission to send him marketing email like newsletters or advertising
RFID	Radio Frequency Identification
SEO	Search engine optimization
SME	Small and medium-sized enterprise
Spam	Unsolicited emails that are sent to a large group of recipients
SWOT analysis	Analyses the company's strengths, weaknesses, opportunities and threats. Used in marketing planning when conducting a situational analysis of the company.
URL	Formatted text string used by Web browsers, E-mail clients and other software to identify a network resource on the Internet

# 1 INTRODUCTION

## 1.1 Motivation and background

My initial interest in writing this thesis was to design a market communications plan for a Turku-based micro company Navicom Oy. The owner contacted the author and asked for an advice concerning the marketing communications of the company. After first discussions the business owner and the author both agreed on the author planning new marketing communications plan for Navicom Oy.

Micro-companies in the European Union are enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million as defined by the European Commission (Europa, 2007).

According to the European Commission over 99% of European businesses are small or medium-sized (Europa, 2013). This makes it even more interesting for the author to write about the challenges that small- and micro-enterprises might face during their marketing communications process.

## 1.2 Objective of the thesis

The goal of this thesis is to develop effective marketing communications tools for the case company. This thesis also aims to answer what are the challenges a micro-enterprise such as Navicom might face during its marketing communications process.



### 1.3 Research questions

The thesis tries to answer the following questions:

- What is the most suitable marketing communications mix for the case company Navicom Oy?
- What challenges Navicom could face in implementing marketing communication?
- What are the most suitable marketing communications tools available for B2B sector?

### 1.4 Data collection

The data on the case company was collected during interview sessions in the fall 2013. Marketing guidelines and general marketing communications needs are based on the ideas and opinions of the CEO Tommi Mertsalmi. During the writing process the author had access to the company's sales reports and other reports.

### 1.5 Scope and limitations

This thesis aims to find the most suitable marketing communications tools for the case company Navicom Oy. The scope of marketing communications tools discussed in the thesis and utilized in the marketing planning process is optimized based on the wishes and needs of the case company. Some limiting factors are the target market and marketing costs.

Navicom will at this stage focus on national markets which makes it futile to investigate international marketing communications. Also one important factor for Navicom is the price of marketing communications. They need communications tools that are inexpensive and effective. This limiting factor will make some

marketing communications tools unavailable for the company. The main focus will be on flexible and cost-effective marketing communication means.

Some figures cannot be disclosed in this thesis due to the company's limitations on the amount of internal business information revealed to the public.

## 1.6 Structure of the thesis

The second chapter contains information about the case company Navicom Oy and its products and services. The third chapter contains the methodology section of the thesis.

In the fourth chapter the theoretical framework such as the most applicable marketing and business-to-business marketing theories will be introduced and explained. The theories were selected on the basis of their relevancy and suitability to this subject. Navicom's service offerings will be examined closely in this chapter. An internal and external analysis will be conducted. This analysis helps to understand the case company's current situation and development needs for the future.

The fifth chapter consists of possible marketing tools that the case company Navicom Oy could use in order to develop their marketing. The sixth and final chapter will conclude the thesis and it introduces the marketing plan developed for the case company.

Table 1 Structure of the thesis

Chapter 1	Chapter 2	Chapter 3	Chapter 4	Chapter 5	Chapter 6
Introduction of the thesis	Introduction of case company Navicom	Methodology	Theoretical framework of the thesis	Possible marketing tools for Navicom	Introducing the marketing plan & conclusions

## 2 CASE COMPANY NAVICOM OY



### 2.1 Introduction

Navicom is a Turku-based IT-company founded in 2009. Navicom offers various IT tools for its customers seeking information systems technologies to help their everyday work flow more smoothly. Navicom's main IT systems are focused around task control and fleet management which operates through Global Positioning System (GPS).

The fleet management tool tracks in real time the current location of the car with the help of a GPS signal. A mobile device is installed in the car. The device sends real-time data via the internet to the company's office so that the user knows where the vehicle is and what it is doing. In figure 1 Navicom's vehicle surveillance you can see the user view of the program. The program tracks the route of the vehicle and gives the user valuable data related to how the vehicle is used.

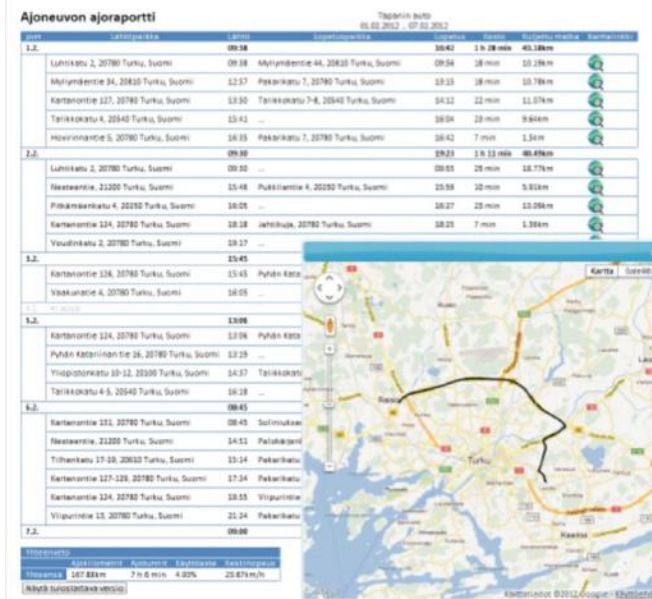


Figure 1 Navicom's vehicle surveillance

Navicom also provides a work hour tracking program which helps the company to allocate work hours and invoice their clients with the right amount of work hours. Figure 2 Navicom's work hour tracking shows the clear structure of the program. With the help of this system the company is able to accurately calculate and invoice their workers' actual work hours. This program saves costs by reducing overtime costs. Also it provides a better customer service to the customers. The company benefits from these reports as they, for example, reduce the time used to make work hour reports by hand as they are still done in many construction companies.

**Kayttajan tuntiraportti**

Kalle Kuljettaja  
01.01.2012 - 31.01.2012

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Figure 2 Work hour tracking

It is also possible to add a work task control into Navicom's system. It allows the company to assign work tasks in the middle of the work day to their employees' mobile phones for example. With the mobile phone service it is possible to send task related information and allocate tasks to employees. Figure 3 Navicom's mobile application interface is an example of how the user sees the task control in his phone. He can sign in to a certain vehicle and to a specific task so the user and the office staff know what this employee is doing at the moment.



Figure 3 Navicom's mobile application interface

All the programs can be implemented as a part of the customer's information systems. Every installation is done according to the needs and wants of the customer and monthly costs are based on the selected services.

The programs are easy to use and they work on multiple platforms. The program can be run in the computer via a cloud based service so it requires no software installation. There is also an opportunity to install an identifier chip reader into the vehicle or into the office.

## 2.2 Goals for marketing communications

Following Kotler's eight steps of business strategic planning the next step after the SWOT analysis is goal formulation (Kotler, 2003, 102). Goals indicate what a business wants to achieve (Kotler, 2003, 106).

Following the discussions the main issues the CEO Tommi Mertsalmi wants to tackle are building awareness and as a result of this also boost sales figures. Building awareness is important because Navicom is still a relatively new and small company. They have been operating for only a few years and have not yet managed to create a buzz around the company.

### 3 METHODOLOGY

This chapter contains the research methodology part which explains how the research for this thesis was conducted.

#### 3.1 Research methodology

The Oxford Dictionary defines research as the systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions. This research methodology chapter explains how this research has been conducted. Various methods can be used to collect and analyze data such as surveys, interviews and questionnaires. These data collection methods can be divided into two categories: quantitative and qualitative method (Saunders et al, 2000, 2, 5, 92)

In quantitative research the data is based on numbers. Results of a quantitative research are numerical and standardized data. The analysis is conducted through the use of diagrams and statistics (Saunders, 2000, 381). Qualitative data is based on meanings expressed through words and the results of a qualitative research are a collection of non-standardized data which require classification into categories. The analysis is conducted through the use of conceptualization (Saunders et al, 2000, 381)

A case study usually aims to answer the questions how and why. In a Case study the data collection methods can be various. (Saunders et al, 2000, 94). This thesis aims to analyze and improve the marketing communications efforts of the case company Navicom Oy. The research in this thesis is qualitative and it tries to answer the following questions:

- What is the most suitable marketing communications mix for the case company Navicom Oy?
- What challenges Navicom could face in implementing marketing communications?

- What are the most suitable marketing communications tools available for B2B sector?

For this thesis qualitative method was chosen for the primary method of research because it fits the purpose of the thesis better than quantitative method. It is also the most useful method in regards to the case company's marketing communications plan. Quantitative research methods were also used when examining Navicom's webpage visitor statistics.

Qualitative method is used in this thesis. The main source for the company information comes from interviews held with the CEO of Navicom Oy Tommi Mertsalmi. The interviews took place on a monthly basis in the fall 2013. The structure of the interviews was quite open which was helpful because this way the CEO could talk about what he thought is important for the company. The openness of the interviews on the other hand might result in biased interview answers.

The interviews with Mertsalmi are the only source of information gathered through interviews and they highly reflect the opinions and needs of Mertsalmi and Navicom Oy. This fact results in lower validity of the interviews and the data gathered from them because they are only one person's ideas and opinions. The results derived from them might not be applicable for other companies. The nature of the case study also affects the results. A case study studies a specific case and it aims to gain more information from that specific area. Results gathered from a case study are applicable only to the case and cannot be generalized.

The quantitative method was used in collecting and analyzing the statistical webpage information provided by Navicom. Quantitative data can be considered more valid and reliable than interviews. The webpage statistical analysis is therefore a reliable and accurate analysis of the current situation of Navicom's webpage.



## 4 DEFINITION OF MARKETING

This chapter will present marketing theories most suitable for creating B2B marketing communications plan for the case company. Due to the fact that the case company operates in the business-to-business markets the emphasis in this chapter is put into B2B marketing theories. B2B marketing communications differs in many ways from traditional business-to-consumer marketing communications so it is important to explain the main theories of B2C. The basic steps of creating a marketing communications plan are also discussed in this chapter.

There are many definitions of marketing. Kotler defines marketing as the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler, 1994, 6).

American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (Marketing Power, 2008).

Alongside traditional views of marketing alternative theories are developed. Grönroos offers an incorporated theory of transactional and the personal qualities of marketing. "Marketing is to establish, maintain and enhance relationships with customers, and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises" (Grönroos, 1990, 138).

Another way of marketing alongside traditional marketing channels is the Internet. Its presence and fast growth in our society makes it a very interesting platform for marketing. According to Leake online marketing is one of the most important channels for B2B lead generation and it also is a great way to extend already existing traditional marketing channels (Leake, 2012, 30). Online marketing offers many diverse ways a company can interact with its potential customers.

## 4.1 Business-to-business marketing

The markets for goods and services bought and sold between companies are huge, far bigger than consumer markets. B2B marketing is different from consumer goods and services marketing because buyers do not consume the goods themselves but they are often developed into new products or services that then are offered to the consumer markets (Fill, 2011, 5, 19). Fill also states that the B2B markets have fundamentally different characteristics compared to consumer markets and diverse marketing strategies and operations need to be considered in order to meet the needs of business customers (Fill, 2011, 18).

### 4.1.1 Characteristics of business markets

According to Fill (2011) there are four main factors that characterize business-to-business markets. They are: The nature of demand, the buying process, international dimensions and relationships. In the following chapter these factors will be introduced shortly.

### 4.1.2 The nature of demand

Three aspects of demand affect how business markets run. According to Fill demand is derived, variable and has limited elasticity in business markets. This means that the demand for a certain product is derived from consumers and their wants. The nature of derived demand is affecting demand also in a way that it makes it variable. Fluctuations in consumers' wants, needs and preferences determine how much and what kind of products are produced. Companies should monitor and anticipate the demands as consumer cycles emerge (Fill, 2011, 6). Demand sensitivity tells the company how sensitive the demand for a certain good is if the price is fixed either lower or higher. This helps companies better estimate the future demand of their products if the production or raw material costs are rising and this leads to higher product prices.

#### 4.1.3 The buying process

Because B2B markets run differently than consumer markets it also affects the buying process. Where consumer market buying process is quite simple, fast and individual the process of B2B buying is slower and it involves large quantities of products. There are also bigger risks involved in B2B purchases this is why companies need to form big groups of people who are involved in the decision making process. The size of the decision making unit (DMU) depends on the importance of the purchase and every member of the DMU who is involved in the purchasing is making the decision based on their own criteria (Fill, 2011, 7). For example the basis for the decision to purchase can be quite different if you were to ask the financial manager or the plant engineer. The financial manager needs to make the purchase so that it brings most added value to the company and financial property and the plant engineer might value other factors.

#### 4.1.4 International dimensions

B2B markets are more international compared to business-to-consumer markets (B2C). The internet has enabled companies to do business all over the world. B2C market is more scattered and diverse as a field compared to B2B markets. In B2B markets the companies benefit from lower diversity and they can work with other organizations to shape their trading environment by agreeing on certain product standards for example.

#### 4.1.5 Relationships

The importance of building customer loyalty through relationship marketing is one of today's marketing trends (De Pelsmacker *et al*, 2007, 26). The significance of creating and maintaining relationships with other businesses is a key element in B2B marketing because it is based on a wide range of factors rooted in people and the interaction between the individuals representing various or-

ganizations (Fill, 2005, 20). As stated by Fill “The development and maintenance of positive relationships between buying and selling organizations is pivotal to success” (Fill, 2011, 8). Customer relationships are an important part of any business. But according to Zontanos & Anderson, Carter & Jones-Evans and Carson it plays even bigger role on smaller companies.

A small firm's marketing advantages are, in contrast to a large firm, close relationships between the entrepreneur and customers. Because smaller companies tend to operate in a smaller area than bigger companies they have a narrower customer base and they concentrate in the local markets (Zontanos & Anderson, 2004).

According to Carter and Jones-Evans smaller firms favor relationships, rather than undertaking formal market research, when trying to understand the marketplace (Carter and Jones- Evans, 2000). These close business relationships lead to benefits including customer loyalty and higher levels of customer satisfaction (Carson, 1985). One integral part of customer satisfaction is flexibility of the service. The flexibility of the small firm in responding to customer inquiries strengthens the relationship even more (Carson et al. 1995).

Benefits of relationship marketing for small companies are many. First of all the capital invested in relationship marketing is low. The markets are targeted and the customer contact is direct. The flexibility of relationship marketing makes it easy for the company to adapt to changing demands. The contrast between relationship marketing and more formal marketing methods is stark. Traditional marketing channels require more investments and they require more commitment (Zontanos & Anderson, 2004).

#### 4.1.6 Organizational customers

The customers in business-to-business markets can be divided into three groups: Institutional organizations, government organizations and commercial organizations.

Commercial organizations can be divided into four sub-categories: distributors, original equipment manufacturers, users and retailers. They differ in the way they use products and services but share the common buyer behavior characteristics and associated communication needs (Fill, 2011, 10). Distributors are intermediaries that facilitate the transfer of products through the marketing channel and add value-creation opportunities (Fill, 2011, 10). Original equipment manufacturers (OEM) add a purchased product as a part of their own products. For example Apple buys its electronic components from Foxconn and uses them to assemble a finished product. Users are organizations that use a product they have purchased to create other products. For example a car manufacturer uses its machinery to build cars. Retailers are intermediaries between the manufacturer and the end-user. Retailers play an important role in providing specialist services that might not be well handled by the manufacturers.

## 4.2 Marketing plan

A marketing plan is a written outline of activities and procedures that help the company in their efforts regarding all marketing activities. The marketing process begins with an analysis of the types of markets the company wants to focus on (Gerson & Shotwell, 1991, 11). Marketing plan begins with a market research. This part includes an in-depth look into the company and its competitors. It also analyses the products or services the company has to offer and it also analyzes the potential customers of the company. Market research can be conducted in various ways such as survey or collecting existing data from the marketplace. The market attractiveness can also be evaluated in the marketing plan. This section describes whether potential customers in the marketplace can afford the company's products and thus how attractive a given marketplace is.

In Navicom's case the attractiveness of the marketplace could be evaluated based on the following criteria for example: market growth potential, competi-

tion, service need, client accessibility. By estimating the attractiveness of these criteria one could evaluate whether or not the marketplace is attractive or not to enter. A marketing plan also has a section for the company analysis. This section will give details on the internal and external situation of the company and the marketplace. By analyzing the characteristics of a business gives the company readiness to respond and answer to changing situations within the marketplace or the company. A company analysis provides information about the competition in the marketplace. It is possible to learn from competitors what marketing actions are beneficial and what actions to avoid. By studying competitors' actions it is possible to stay one step ahead of them and gain a competitive advantage.

A marketing plan can also include a customer analysis of who the customers of the company are. This information helps in customer retention and acquiring new customers. The last section of the marketing plan is the product or service analysis and evaluation. This section identifies what the company is selling and what are their products' attributes.

#### 4.2.1 Market research

In order to create an effective marketing communications plan Navicom needs to follow a framework that sets steps that help Navicom to successfully carry out the marketing communications process. In this thesis the framework that is followed is Kotler's steps in Developing Efficient Communications (Kotler, 2012, 482). Figure 4 shows this framework's eight steps.

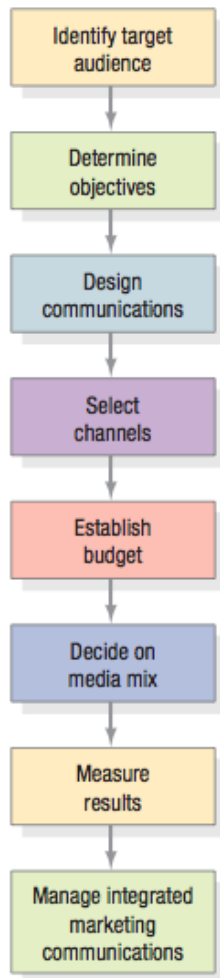


Figure 4 Kotler's Steps in Developing Effective Communications (Kotler, 2012, 482)

The first step in Kotler's eight steps in developing effective communications (Kotler, 2012, 482) is identifying the target audience. By conducting a market research the company gains valuable information regarding the marketplace it operates in.

When conducting market research one needs to include both the market information and product information in to the marketing plan. This information is analyzed within the context of the marketing of the products (Westwood, 2014, 14).

Navicom operates in the Finnish markets providing its services to various fields of business. Mainly its services are targeted to companies within the construc-

tion sector and the logistics sector that would benefit from Navicom's fleet management tool and use it to keep up to date on their fleets movement and tasks.

The logistics sector is fairly big in size because of Finland's long distances between cities. The main customers in the sector are transportation companies who use trucks to transport goods within Finland.

#### 4.2.2 Situational analysis

The marketing plan is one of the most important outputs of the marketing process (Porter, 2003, 114). The marketing plan process starts from the situational analysis of the company. This analysis covers the company's internal as well as external environment. The company has to set out goals that the marketing plan itself tries to reach. These goals can be for example raising sales figures, building awareness or creating customer retention.

The first step, situational analysis, is a collection of relevant background data on various elements of the business like sales figures, the market, competitors and the company's macro environment (Porter, 2003, 116). With this data the company can create a SWOT analysis that identifies key internal and external issues concerning the company.

After the situational analysis the company has to set the desired objectives for the company's marketing. These objectives can include sales figures, profit or other relevant issues.

#### 4.3 Current situation analysis

Situational analysis is used to analyze the company's internal and external environment. This is done in order to better understand the organizations capabilities. Making a situational analysis of the company is a vital step in the marketing plan creation process.



The information used in this following chapter comes from the CEO of Navicom Tommi Mertsalmi. Also I had access to the company's internal data, some of which I cannot refer in this thesis due to the non-disclosure agreement made with the company.

#### 4.3.1 Internal situation analysis

The product offering of Navicom is quite adjustable to meet the clients' needs and wants but the core product itself is the IT systems program which allows tracking and other tasks to be done based on cloud technology. Because the needs of the customers are so different and changeable it is a good thing that Navicom can offer a "tailor-made" service for the customer.

The most popular solution for companies is a mix of work hour surveillance and fleet management services. Navicom's main customers are at the moment mostly construction companies who use the Navicom's services to monitor their construction machinery usage. Current economic situation forces construction companies to cut their purchasing costs. This leads to companies renting their construction machinery rather than buying them. The rent is determined by the hours the machinery is on. This is where Navicom's services are used by many customers. Companies use the program to monitor the total hours the machinery is used and with the use of the program they see if there is some excess usage.

Navicom also offers consulting relating to IT systems and work supervision tasks. They also provide their customers with webpage design service. These service offerings can be considered as secondary or supporting product offerings of Navicom. They are not at the core of Navicom's business but if the client who wants to update their IT systems lacks for example webpages Navicom can design them for the client. This kind of a situation could arise when a client is undergoing major changes in their internal structure.

Navicom's core product meets the need for a flexible, real-time IT system which helps the companies to better utilize their resources when it comes to time and

money. Their services save time and as a result they also save money. Navicom's services appeal to many fields of business. The biggest markets for Navicom are the transportation and construction sectors.

In the field of logistics one has to always be aware of where a certain truck is and what it is doing. With the help of the fleet management tool logistics department can assign new tasks to drivers even before they return from their previous assignment. Within the construction sector there is also a need for time and money saving programs. There are many tasks like work hour surveillance and work allocation where Navicom's services could be used to cut excess resource usage.

The overall process from initial contact to the implementation of the software is relatively slow. Because the economic situation is not good at the moment companies are cautious to make any purchasing decisions. This makes the sales process of Navicom as long as six months.

The service is based on cloud computing it requires no additional distribution of installation discs for example. This cuts dramatically distribution costs. Cloud based program is easy to install and it is light to use, it only requires a computer and an internet connection. The customer needs no extra software and they do not need to worry about IT system integration with other, already implemented, software.

The situation where Navicom provides a physical product to the customer is if the customer wants to incorporate an identifier chip reader into Navicom's work hour surveillance service. The delivery of these devices is done via mail. The reader devices are co-manufactured with a Finnish company so the time the customer has to wait its products is as short as possible.

Navicom is cooperating with a Finnish company Aplicom who manufactures and delivers the devices that can be used with Navicom's services. "Aplicom is pioneer in professional vehicle communications, fleet management and M2M (machine to machine) equipment" (Aplicom, 2013) Because of their experience in

the field Navicom can rely that the components Navicom sells to its customers are getting the best product available (Navicom, 2013)

Navicom's services can be used with Aplicom's products. Currently Navicom provides its customers with RFID identity chip reader device and portable GPS device.



Figure 5 Devices manufactured by Aplicom, from the left antenna, stationary device and RFID reader (Navicom, 2013)



Figure 6 Portable device with integrated antenna manufactured by Aplicom (Navicom, 2013)

#### 4.3.2 External analysis

External analysis is used to establish an understanding of the external issues affecting the company's business environment. Important areas of analysis are: main competitors, overall state of the target markets and legislative issues that might concern the company's day-to-day business. A SWOT analysis is a valuable tool to examine all these factors.

Navicom's biggest competitor according to CEO Tommi Mertsalmi is a company called C-Track. They are Finland's biggest vehicle surveillance company with over 500 Finnish companies using their services (Profiilimedia, 2011). They also provide various reporting tools just like Navicom. Their advantage over Navicom is that they have been operating in the field for a longer time than Navicom so they are better known. Their other advantage is that they are owned by a multinational DigiCore Europe BV which offers C-Track a platform to push their products and services abroad.

Other competitors include Helpten and Microdata. These companies offer similar services as Navicom but are relatively smaller than C-Track so they are Navicom's closest competitors. Helpten is founded in 2007 and Microdata in 2009. They are both been operating in the markets approximately the same time as Navicom. With these facts in mind I would consider Helpten and Microdata as Navicom's closest competitors. All three companies provide similar services to their customers. In order to succeed Navicom needs to communicate to its potential customers why it is the company they should choose. One differentiating factor for Navicom is the tax reporting tool which is discussed later in this chapter.

*As much as half of the competitiveness of large companies is due to logistics* according to Finland State of Logistics report (LVM, 2012) which studies the effect of logistics on competitiveness. This fact alone speaks volumes on the importance of software and services like Navicom's fleet management tool. There is a clear need within the logistics sector for a tool that can help companies cut excessive costs on their processes. Among the logistics service providers it is expected that there will be a shortage of competent personnel which is one of the top five drawbacks affecting on the supply chain (Figure 7). This puts pressure on the companies to be more efficient with the resources they have available. *“Transport costs within Finland are about twice the average of those in EU countries... Constant efforts are needed to lower logistics costs and to increase logistics efficiency”* (LVM, 2012).

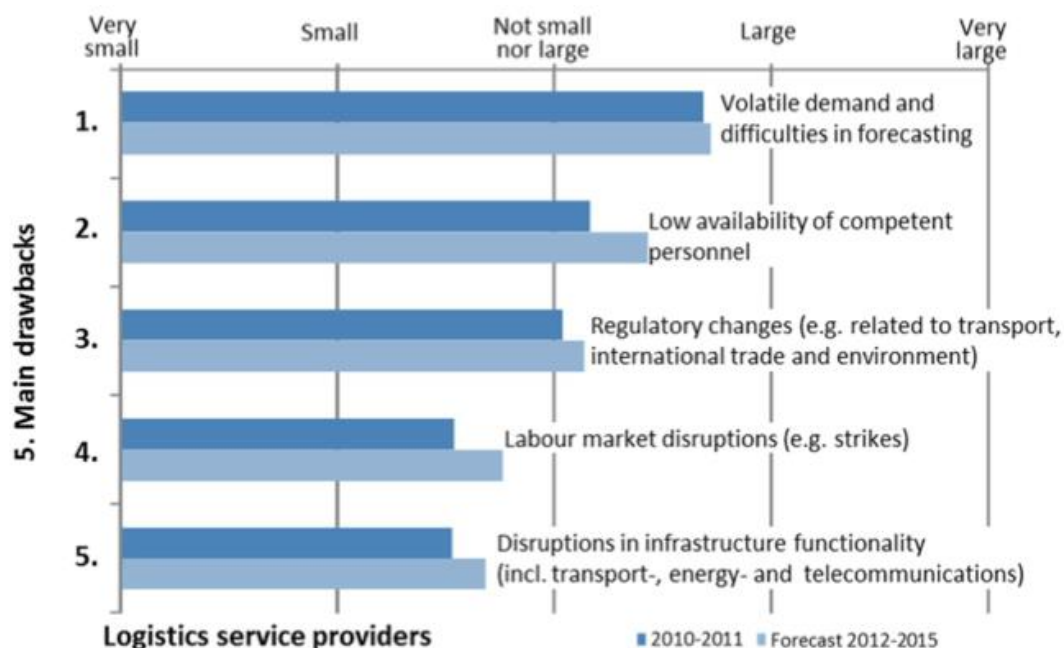


Figure 7 the five main drawbacks impacting on the supply chain by main sector of industry 2010-2011 and 2012-2015 (LVM, 2012)

From the Finland State of Logistics report it becomes evident that there is room for micro companies to enhance their operations. “Some 28% of distances driven by micro, small and medium-sized transport companies was empty running. The corresponding figure for large companies was around 15%” (LVM, 2012). What this means for Navicom is that there is a need for their software at least in the logistics sector. With a right strategy they can penetrate the markets successfully. But penetrating will not be easy. Finland was ranked third, after Singapore and Hong Kong, in the global Logistics Performance Index. (World Bank, 2012)

There are several legislative issues Navicom's services aim to facilitate companies in reporting and accounting. For example the Finnish work hours act (Ministry of Employment and the Economy, 2011) states that companies need to keep a real-time accounts on work hours and overtime working hours. With Navicom's services companies can ease their work load on these compulsory reporting to the public authority.

There are also some legislative factors that will be influencing building and renovating companies. The Finnish Tax Administrator has set new guidelines on reporting on arduous work and construction workers' tax information (Verovirasto, 2013). By using the service provided by Navicom the employer does not need to worry about sending them to the Tax office. The program sends the reports automatically to the Tax Administration. When Navicom has approached companies and told them about the new taxation guidelines the majority of them told that they do not even know of such new laws. The CEO Tommi Mertsalmi speculated that the demand for this service will rise next year in the spring when companies become aware that they need to change their tax reporting procedures. The next challenge of Navicom is to communicate to the potential customers that they need to be ready for this tax renovation.

One important factor when conducting a situational analysis is the SWOT analysis. With the help of this tool the company can analyze their strengths, weaknesses, opportunities and threats (Kotler, 2003, 102). This analysis is a helpful tool for finding new marketing opportunities.

As shown in figure 8 Navicom's strength comes from the adjustability of their services. They can easily alter and modify their services to fit each customer individually. They are very responsive when it comes to making changes. This is an important factor because their customer base is wide and the needs of the customers vary greatly. The ability to be flexible is even more important when serving smaller customers with a specific need but a limited budget.

Other key area of the company is the personal customer experience. Because Navicom is such a small company the customer is sure to get the best service possible. The level of interaction with the customer is high, a factor that affects customer satisfaction and hopefully customer retention as well.

When analyzing the company's weaknesses one of the main issues which can be seen is that Navicom is not well known within the markets. This is a major issue as limited reputation means limited sales. The outcome of low sales fig-

ures can be as severe as going out of business. The lack of reputation is an issue which Navicom wants to tackle.

Navicom has many opportunities in the markets as the program is so versatile. The same program can be used in fleet management, logistics, task management and task allocation. And because the main script of the program is custom made by Navicom they can add script to it as they please in order to tweak the program to serve even more specified needs of the customers. For example the logistics industry's need for software that cuts down costs and resources needed is a clear opportunity in the coming years as can be seen in the Finland State of Logistics 2012 report. Also the construction sector clearly has a need for a time and money saving solutions.

The major threat to Navicom is that some companies might offer similar services to same customers. In the event of a recession Navicom would see a plunge in their sales. It might diminish the amount of money put into companies' investments and that will eventually be seen in Navicom's sales figures. One threat for Navicom as mentioned by Navicom CEO Tommi Mertsalmi is the managers' reluctance to change anything within the company's ways of work. These reluctant managers have usually been working in the field for a long time and are not used to integrating IT into their work. There have been several managers that have said that they do not need any services by Navicom because everything is done by hand so there is no need for a computerized program.

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Customizability of services to meet many needs</li> <li>Flexibility</li> <li>Personal customer experience</li> <li>Evident need for the service in the future</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Not well known player in the markets</li> <li>Only few customers at the moment</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Program can be altered in many ways to meet the specific needs of customers</li> <li>Target market's need to cut down costs increases the need for the service</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Many competitors with similar service offering</li> <li>possible recession</li> <li>Decision making is slow and managers reluctant to change</li> </ul>

Figure 8 SWOT analysis

#### 4.3.3 Need for marketing development

John Westwood states that marketing planning is used to segment markets, identify market position, and forecast market size and to plan viable market share within the market segment (Westwood, 2013, 7).

It is evident that Navicom needs to pay more attention to marketing communications. Currently the markets are intensely competitive and new companies with new innovations are coming all the time to compete for the customers. From Navicom's point of view this means that they need to fully harness their potential and use marketing communications in order to create a competitive advantage.

Navicom also needs to be more ready to adapt to changes in customer wants and needs and this can be achieved through forecasting markets. A marketing communications plan is a good tool to help this forecast.



Following Kotler's framework the next step in efficient communications development is to determine the communication objectives. Rossiter and Percy identify four possible objectives which are: Category Need, Brand Awareness, Brand Attitude and Brand Purchase Intention (Kotler, 2012, 483). In Navicom's case the most suitable approach would be Category Need because of its novelty in the markets. Navicom needs to communicate to its potential customers that they need this new service in order to work more efficiently.

Navicom's need for further marketing communications development is evident. The company is relatively new in the market and it needs to build their reputation as an IT service provider. As of now their products are not well known so there is an obvious need for a renewed marketing communications plan.

The next step in Kotler's communications development framework is designing communications. This part of the development needs to answer three questions; what to say, how to say it and who to say it (Kotler, 2012, 484). Answering the first question requires the company to determine the communications theme that will relate to the product or service performance. The next step is to determine how to say the message to the audience. This part is as important as the first because it must succeed in translating the message in the proper way to the desired audience. There are two ways to classify messages: Informational and Transformational appeal (Kotler, 2012, 484). Informational appeal focuses on product or service attributes and benefits whereas transformational appeal elaborates on image and emotions that will motivate the purchase (Kotler, 2012, 484-485). For the case company more suitable approach would be the informational appeal. It suits Navicom's purposes better because B2B markets value more information than emotions for example. B2B customers need to know the attributes of Navicom's services and these is better communicated by using the informational appeal.

The owner's interest is making the products more known to the customers and to create a reputation as a good and reliable service provider. Business to business markets are very competitive and it is vital to stand out in the crowd. The marketing communications plan needs to be focused on building reputation and

acquiring new customers from wide range of market sectors. There are some limitations for the marketing communications development like for example the cost. The company has limited resources so the desired marketing communications means should be relatively inexpensive.

The fourth step in developing effective communications is selecting the communications channels. Communications channels can be personal and nonpersonal. Personal communication is used when communicating with a customer face-to-face or by email or mail. Nonpersonal communication is often called mass communication and it is directed to more than one recipient. Advertising, billboards and sales promotions are examples of mass communications (Kotler, 2012, 487).

In Navicom's case it would be most beneficial to use personal communications methods because it suits better for B2B transactions and it also helps Navicom to build a relationship with its customers and potential customers. As discussed in 4.1.5 relationships are playing an important role in everyday B2B actions.

#### 4.3.4 Marketing strategy

After setting the objectives of marketing communications the company has to choose its marketing communications strategy which is developed around the data gathered from the market research. Following Porter's three generic strategies, overall cost leadership, differentiation and focus, the company can build a working strategy that will help them to succeed in the market (Porter, 2003, 106).

A tool which helps companies in their marketing efforts is the marketing mix which consists of 4 P's. The 4 P's theory was coined by Neil Borden in the 1964 article The Concept of the Marketing Mix. The 4 P's in this marketing mix theory are product, price, place and promotion. The traditional 4P's interpretation has developed due to increased complexity of industrial marketing. As a result the marketing mix has incorporated people, physical evidence and process (Fill, 2011, 19)

Every customer gets their own username and password to use Navicom's products. The customer operates the service from their own computers so no additional purchases are needed. In the early stages of the purchasing process the sales representative sets up a meeting to showcase the service to the customer and based on their needs and wants does the required alterations to the program. The unique product offering for each customer is characteristic to B2B marketing. (Fill, 2011, 19)

Navicom's services are priced on a monthly basis. The fee is determined by how many services the customer wants to use. This kind of pricing reduces customer's risk of the purchase because they do not need to commit on big investments. It also ensures that the customer does not pay for anything extra but they only need to pay for what they have really ordered.

Because the product Navicom offers is offered via cloud computing this means that there is no need to use a physical store where the services can be purchased. The "place" of the 4 P's is the internet. Because there are no intermediaries between Navicom and its customers it allows them to form a direct relationship between each other.

Promotion consists of various elements such as personal selling, advertising and sales promotions. The way Navicom is tackling the promotion aspect of 4 P's is to focus on personal selling and focused advertising to companies which in Navicom's point-of-view would be possible buyers. This means that the advertising is directed towards small and medium sized companies (SME's). This is to ensure that no excessive advertising costs are used advertising to companies which are out of the range of Navicom's possible business partners.

One of the additions to the original marketing mix is people. As Fill states (Fill, 2011, 20) "people who represent the manufacturer or service provider are extremely important." and they have a "direct impact on the way the customers make judgments about the service" (Fill, 2011, 20). At this point Navicom's sales representative is Tommi Mertsalmi who has also founded the company.

This ensures that the customer gets the best and most accurate information about the products.

Physical evidence is a relatively new addition to the marketing mix. It tackles the issue of providing potential customer with tangible clues that enable them to understand the product quality (Fill, 2011, 21). These clues can be for example providing brochures and sales literature and how the sales representatives are dressed to the meeting. A well-dressed sales representative is likely to leave positive clues about the company's attitude towards the customer.

In the current markets the marketers need to understand the whole process that is required of a successful delivery of the product or service to the customer. "Overall success requires that the processes the customer use when interacting with the supplying organization, work well and appropriately" (Fill, 2011, 21) In Navicom's case this means that they need to ensure that their cloud based programs work without any problems and that they are available to assist the customer in any problematic issues they might face in the implementation stage.

#### 4.3.5 Marketing communications budget

The fifth step in Kotler's communications development framework is establishing a marketing communications budget. Kotler states that it is one of the most difficult decisions regarding marketing (Kotler, 2012, 488). Marketing expenditures vary from one field to another.

There are four basic methods that help companies decide on the marketing communications budget: the affordable method, the percentage-of-sales method, competitive-parity method and the objective-and-task method. (Kotler, 2012, 489)

The first one is the affordable method which means that a company sets the communications budget to a level they can afford. This method has some drawbacks and it leads to difficulties in long range planning. The second method is called the percentage-of-sales method. This means setting the communications

budget to a specific percentage of current or anticipated sales. The advantage of this method is that the communications expenditure will vary depending on the sales so that the company can afford it. This method's drawback is that it limits the budget to available funds rather than the market opportunities. So there might be more lucrative communications opportunities for the company but because of the used percentage-of-sales method they cannot be afforded. The sales fluctuations make it hard to plan for a longer period. The third method is the competitive-parity method. Using this method a company tries to match its marketing communications budget to its competitors' budgets. This is not a solid way to decide a budget because competitors might not have the same marketing objectives and there is no evidence that the competitors know better. The fourth and final method is called the objective-and-task method. This method requires marketers to define specific objectives and their estimated costs based on these estimates the complete budget can be calculated. (Kotler, 2012, 489-490)

In my opinion the best method for establishing a marketing communications budget the case company Navicom would be the fourth, objective-and-task method because it involves aspects that ease the future planning and it offers a comprehensive outlook on the marketing communications budget creation.

## 5 SUITABLE MARKETING MEANS

Deciding the media mix is also the sixth step in Kotler's eight step framework. It is important to be aware of the available marketing media mix and the suitability of a certain marketing communications mean. Fine-tuning and improving the existing media mix can help companies to be more efficient. (Kotler, 2012, 490)

In this chapter I will explain factors affecting the development of marketing communications mix and I will go through the most potential marketing communications means for a small company and I will also explain why they would be useful to case company Navicom. I chose to review the following marketing communications means more closely for because in my opinion they fit Navicom's strategy and budget the best.

### 5.1 Factors affecting the choice of marketing communications mix

According to Kotler there are several factors that affect the development of a company's marketing communications mix. The first one is the type of the product market. Marketing communication varies greatly when it comes to B2B and B2C marketing. In B2C marketers tend to focus more on sales promotion and advertising whereas B2B marketing is closely tied with creating and maintaining relationships (Kotler, 2012, 492).

The buyer readiness stage of a market is a factor that also affects the choice of marketing mix. As figure 9 stages of buyer readiness shows the cost effectiveness of each marketing communications tool varies depending on the buyer readiness stage of the customer. The more buying ready the customers are the more important personal selling and relationship marketing becomes.

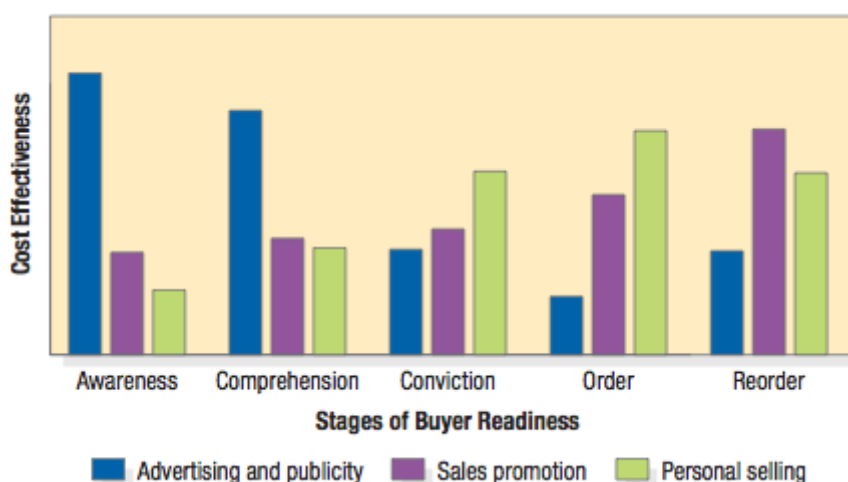


Figure 9 Stages of buyer readiness (Kotler, 2012)

Product life cycle has also an effect on the choice of marketing communications mix. The situation is relatively similar to relationship between the buyer readiness stage and cost effectiveness of a certain communications tool. The more mature the product life cycle is the more cost-effective personal selling will be. At the early stages of product life cycle raising awareness has the best cost-effectiveness as Figure 9 stages of buyer readiness shows (Kotler, 2012, 494)

## 5.2 Internet-based marketing

From the basis of the discussions with the CEO Tommi Mertsalmi many elements of internet-based marketing communications for Navicom, mainly because of its cost-effective nature and ease of use, were included.

A company can reach a wide audience via the internet. In Finland 86% of people have used the internet in the last three months. (Figure 10) Also 73% have used internet to search for information about products and services in the last three months (Tilastokeskus, 2010). According to Pullinen internet marketing also gives companies a possibility to reach new target markets (Mainostajien Liitto, 2009, 25). Because of its inexpensive nature compared to other traditional marketing methods it is a good alternative for small and micro company marketing communications.

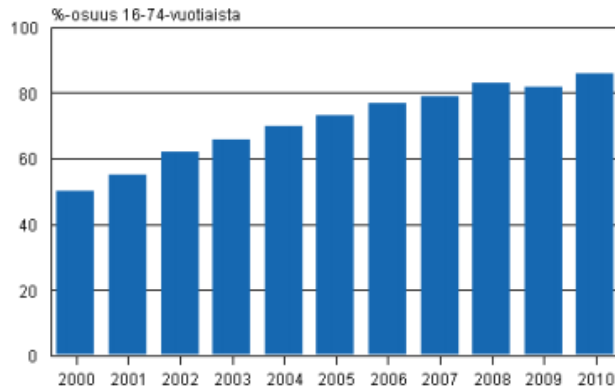


Figure 10 Use of internet in Finland among 16-74 year old in 2000-2010 by Tilastokeskus (Tilastokeskus, 2010)

### 5.2.1 Email marketing

Email marketing is a form of direct marketing that uses the electronic mail. Email marketing is one cost-effective way to reach potential customers. It is faster and more dynamic than old-fashioned direct mailing and gives the recipient the opportunity to reply immediately (Mainostajien Liitto, 2009, 119). For small companies being dynamic and responsive is a must when competing with bigger companies with larger marketing budgets.

In order to successfully utilize email marketing Navicom needs to define the target audience for the email advertising campaign. The fastest way to create a mailing list that is suitable for them they need to purchase an email register of companies from a third party email registry. There are several companies in Finland which provide with this kind of service.

The more cost effective way to create an email list is to gather the addresses in-house. This is a slower way but according to Postiviidakko, a Finnish email marketing company, the so called opt-in lists work better than email registers (Postiviidakko, 2010). In opt-in email the recipient has given the email sender the permission to send marketing emails to their email address.

Email marketing has many benefits for a small company. It is easy to create, personalize, inexpensive to produce and a medium that has a high response



rate (Blakeman, 2013, 121). An email campaign aims to build and maintain the relationship between the company and its current and potential customers. Blakeman (2013) lists seven goals that a direct e-mail campaign should accomplish:

- Target only those segments most likely to purchase
- Clearly state the company will not share information
- Clearly identify the company and product(s) sold
- Ask how recipients would like to receive e-mail correspondence-for example in plain text or HTML
- Keep visual/verbal messages consistent with the other vehicles used in the campaign
- Follow up all purchases with a thank you note
- Use diverse techniques to engage the reader such as visuals, entertainment options and creatively written copy

Navicom can collect email addresses from their existing customers and they should also expand their opt-in list by collecting new contacts from trade fairs for example. Navicom should start writing an email newsletter and it should also add a subscription button to their website. By getting more subscribers to the newsletter they reach more potential customers. Navicom should also ask its customers in face-to-face situations whether the customer would like to subscribe to the newsletter.

The drawback of e-mail marketing can be the negativity often related to it. Many people still consider email marketing as some sort of spam. Spam emails are unsolicited emails that are sent to a large group of recipients. “More than 97% of all sent emails are considered as unwanted according to a Microsoft security report” (Waters, 2009). Many times they contain unwanted information or even harmful attachments that might invade the recipients’ computer. Many email clients have filters that direct unwanted spam emails straight to the trash folder.

In B2B marketing relationships play a big part in interaction between companies and it is therefore important that when contacting potential customers via email

that the recipients do not consider the email as unwanted. The message should be clear and useful to the recipient and it should contain contact information of Navicom Oy. Including sender information to the email increases the reliability of the email and therefore can create positive action from the recipient.

The measuring of an emailing campaign is an important part of the process. It gives valuable feedback to the customer on various factors. Some of the factors include the opening rate of the email, click rate and conversion rate. (Mainostajien Liitto, 2009, 124) The opening rate tells how many recipients opened the email, click rate on the other hand tells how many recipients clicked a link and entered the desired webpage and the conversion rate tells whether or not the set goals of the email marketing campaign were met.

### 5.2.2 Social media marketing

Social media is defined as a public webpage which is easily available to read and participate by everyone on the internet (Korpi, 2010, 8). Social media is an interactive platform. The most popular examples of modern social media platforms are Facebook and Twitter. Facebook has 1.15 billion monthly active users as of June 2013 (Facebook, 2013) and Twitter has over 200 million active users as of March 2013 (Twitter, 2013). In Finland Facebook is used by approximately 2 million people (Facebook, 2013) and Twitter is used in Finland by approximately 63 thousand people (YLE, 2013). According to a study by Tilastokeskus 42% of 16-74 year old Finnish people are registered in some social media site (Tilastokeskus, 2010).

Navicom has a Facebook page but at the moment it is not used at all. If there was more action it would generate interest and maybe more visitors to their webpages. In order to be interesting to consumers and potential clients a “company’s Facebook site has to be an active profile, where the company is seen as being involved and providing up-to-date information about technological developments; for example, new functions and applications” (Hansson et al. 2013)

Companies that are active on Facebook are more aware of what is going on in the markets and they are more able to react to changes than companies that do not have an active presence in social media because they are receiving consumer input and feedback in real-time (Strategic Direction, vol. 28 No.6, 24-26).

Being active on social media has a clear goal: to get leads on potential customers. Bodnar explains social media lead generation process in his B2B Social Media Book (Bodnar, 2011).

The process starts with realizing the three core elements of lead generation; offers, calls to action (CTA's) and a landing page. An offer can be for example a free consultation with a salesperson. CTA's are used as advertisements that send the potential customer to the landing page. The landing page is typically a website to where a potential customer submits his contact information in exchange for an offer by the company (Bodnar, 2011, 14).

Lead generation via social media can be achieved by either increasing the traffic to the landing page. The other, maybe more interesting, way to generate leads is by increasing the conversion rate of the landing page. A high-converting landing page generates business leads faster. The company has to think about the factors affecting the conversion rate. The clearer the landing page is the more it will convert leads. According to Bodnar simplicity is very important when it comes to landing pages (Bodnar, 2011, 15).

The offer is an important factor that affects the landing page conversion rate. The better the offer more potential customers will subscribe to it. "The best offers solve a problem for the prospect (Bodnar, 2011, 15)." In Navicom's case they could provide a free calculator that calculates roughly the time saved in administrative tasks if using Navicom's tools. This calculator could be placed behind a landing page so that it will generate leads.

### 5.2.3 Website

A functional website is a must for any company these days and obviously Navicom has its own websites at <http://www.navicom.fi/>. The website itself contains basic information about the company and some detailed information concerning its services like the fleet management tool and work hour surveillance tool. This is a good way for a potential customer to get to know the product even before making the initial contact with Navicom. Figures 11 and 12, copied from Navicom's website, show the potential customer what the program will look like and give them an idea of its usability for their needs.

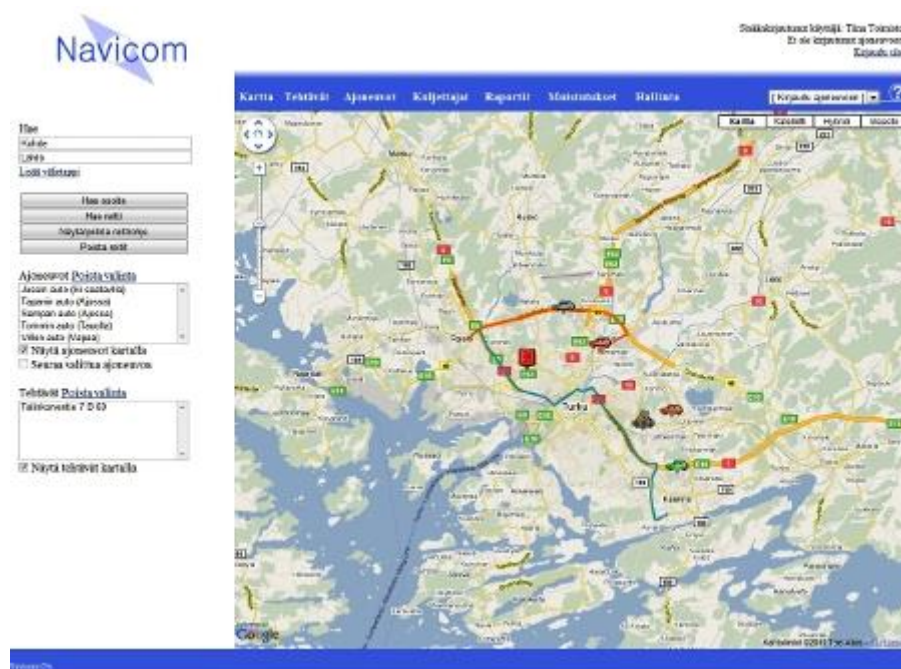


Figure 11 A screenshot of Navicom's fleet surveillance (Navicom, 2013)



Figure 12 A screenshot of Navicom's work hour surveillance (Navicom, 2013)

From the visitor statistics (Figure 12) the company can get valuable information on how many visits their webpages get. Figure 13 Navicom's webpage visiting statistics Jan-Oct show that in the year 2013 there were on average 286 visits a month. From this statistic we can assume that there is an interest towards Navicom's services.

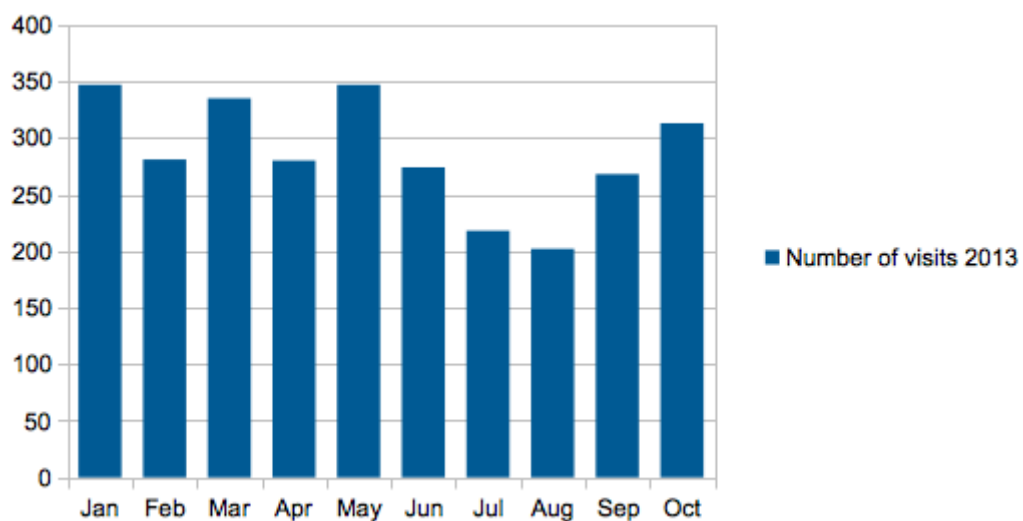


Figure 13 Navicom's webpage visiting statistics Jan-Oct (Navicom, 2013)

#### 5.2.4 Search engine optimization

Search engine optimization means improving the webpage's search engine ranking using various keywords that yield more visitors to the webpage. Search

engine optimization means that the webpages are designed so that they perform best on the search engines (Shreves, 2012, 18). Search engine optimization helps the company to segment its products and webpages to a specific audience that use specific search words when browsing the internet.

Multiple SEO tricks can be used to improve the ranking such as designing the contents of the pages in a way that it is easily read by the search engines thus yielding more visitors. Another trick is to use certain keywords in the URL structure, page title, page text and the meta description of the webpages (Bodnar, 2011, 30)

The web page designer should use as much business lingo as possible when designing the pages. For example URL structure and page title should focus on the same subject. This improves the chances of a search engine to understand the content of the page. (Bodnar, 2011, 39)

Another way to improve the search engine ranking is to increase the number of inbound links to the website. To increase the number of inbound links and the overall traffic to the website the company needs to be active. One way to do this is to start writing a company blog that discusses current issues related to the company and to the industry. A company should also be active in asking partners and peers to add their company's website into their lists of recommended partners or portfolios (Bodnar, 2011, 33)

Bodnar also suggests companies to create a unified keyword strategy which the company uses in its website, blog and social media. This requires the company to build a list of target words that yield most traffic to the website and use these words as a basis of their SEO efforts and blog entries (Bodnar, 2011, 39)

When examining Navicom's webpage statistics and especially the search terms visitors have used to enter the webpage we can comprise a list of key words that form the basis of the search engine optimization process. In figure 13 search terms we can see that eight search terms account for over 80% of all searches that lead the visitor to Navicom's site. Search engine optimization emphasis should therefore be put to these words. These key words and phrases

should be used in various parts of the webpage's URL structure, titles, page text and meta description.

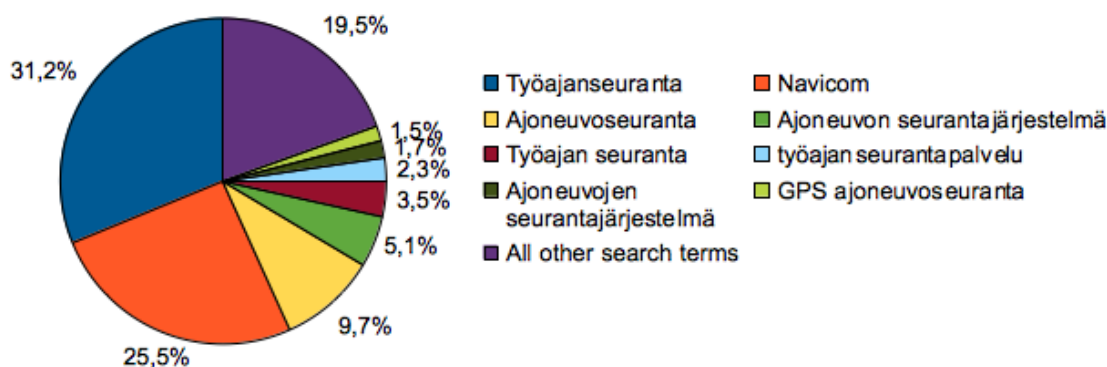


Figure 14 Search terms (Navicom, 2013)

Although SEO is time consuming and requires quite a lot of technical knowledge it is still worth the trouble. "SEO is the number one reason why a company should be using social media marketing" (Bodnar, 2011, 35). Leveraging social media is a good way to increase traffic to the company's website.

### 5.3 Other marketing means

Internet based marketing means offer many opportunities for a small company to improve their reputation and acquire new customers. But one should not forget other more traditional marketing channels. Television and radio advertising might be too costly for a small or micro company but there are still many other viable options for a marketing campaign. The following chapters will go through a few marketing channels and their fit for small and micro company marketing.

#### 5.3.1 Trade fairs

Trade fairs are organized events for a specific industry or field. Companies can showcase and demonstrate their products and services. They offer companies

a nice opportunity to communicate and network with other companies and customers within their field of business. Trade fairs are maybe the best way for a B2B company to meet and acquire new customers because of the fact that the visitors there are actively seeking new ways to improve their operations. Trade fairs offer also a nice viewpoint on other companies and how they deal with customer acquisition. Taking part in trade fairs could be a valuable experience for small companies and for Navicom also but as the CEO Tommi Mertsalmi stated when interviewed; the fees to enter as an exhibitor are high.

If the costs of entering a trade fair are too high then a company should keep an eye on other than industrial fairs. For example universities and polytechnics arrange many different seminars and events where small companies are welcomed to take part as an exhibitor or as a key speaker. These events are a good place to find likeminded people and maybe even new business. Often these events are free of charge or only a small portion of the trade fair admission fees.

### 5.3.2 Print media advertising

Print media advertising has been for a long time a huge marketing platform but today it is an ever diminishing media when technology pushes marketing towards electronic devices (Fairfax Media, 2014). But nevertheless it should not be underrated as a marketing communications tool.

Navicom should still examine the possibility to conduct a print media advertising campaign. They could for example advertise on publications that are specific to their target market. In Finland these publications could be for example Rakentaja-magazine and AKT-magazine. There is also a publication called Profiilimedia where a company can buy a page or a part of the page and their company profile will feature in the magazine. This Profiilimedia magazine will be distributed with Kauppalehti which has more than 170000 readers (KMT Lukija, 2013). With this kind of publicity it might be appropriate for Navicom to investigate further the opportunity to do a print media campaign.



### 5.3.3 Relationship marketing

Relationship marketing is one of the most important marketing methods for a small company. Small companies operate in smaller areas than big companies and they concentrate in the local markets where their customers are relatively familiar to them. As Zontanos and Anderson stated the relationship between the entrepreneur and the customers is their marketing advantage compared to large companies (Zontanos & Anderson, 2004). Small companies should fully harness the power of relationship marketing in order to get a competitive advantage. Small firms usually have lower marketing budgets than large corporations so they need more bang for their buck. According to Carson close business relationships lead to benefits including customer loyalty and higher levels of customer satisfaction (Carson, 1985). With effective relationship marketing small companies make the customer retention easier.

Relationship marketing involves various activities such as visiting the customer and contacting them via email or phone for example. In Navicom's case this means that they must be active in contacting their customers and inquiring them if there is anything they would still need from Navicom.

### 5.4 Reflection

Bodnar lists integration with social media marketing and traditional marketing channels as an important factor to becoming successful at social media marketing "Social media marketing results are amplified when integrated with e-mail marketing, event marketing, pay-per-click advertising and other inbound marketing tactics that can be combined to maximize lead generation" (Bodnar, 2011, 9).

Bodnar's statement in mind marketers should try to build a variable marketing communications mix with many aspects of the marketing spectre. One should not only focus on social media marketing or just print media marketing. "Integrated marketing is always more effective than taking a segmented approach"

(Bodnar, 2011, 12). The same applies to Navicom. They should keep their marketing communications mix variable with different communications means in order to be successful in their marketing communications and reach the maximum number of potential customer. In my opinion there should be a balance between relationship marketing, email and social media marketing and search engine optimization. These means would, in my opinion, fit Navicom the best.

## **6 NAVICOM'S MARKETING COMMUNICATIONS PLAN AND CONCLUSIONS**

This chapter will conclude the thesis. The research questions and their possible answers will be discussed and the marketing communications plan that has been created based on this research will also be introduced.

### **6.1 The marketing communications plan**

In the beginning of the process Navicom's goal was to find inexpensive marketing communications methods and utilize them so that they would lead to the growth of their reputation and would ultimately generate more business for them.

The main marketing communications methods that were picked for Navicom offer them inexpensive ways to activate on marketing issues. Based on the case company's desires all marketing tools are also flexible so that Navicom can easily alter their marketing mix if needed. Because Navicom is still figuring out what kind of products their core business consists of it is important that the marketing will facilitate change when it is required.

#### **6.1.1 Search engine optimization**

The first and maybe the most important marketing communications tool for Navicom is search engine optimization. They have already utilized it before so it is easy to enhance their SEO activities. SEO is an inexpensive way to improve for example search engine ranking and optimize the search words in order to specify their services to a specific audience. There are a lot of search word statistics and other applicable information available from Navicom's website statistics that can be used to improve the search engine ranking. Navicom will utilize the data gathered in this thesis as a basis of their SEO improvement activities.

For example the top search words that directed search engine users to their website is a useful statistic that will help them to build the meta description and url-structure so that the ranking of the webpages would rise thus generating more visitors.

As Navicom has already been doing SEO they should investigate the subject even more. If they were able to tweak the meta description in a way that it would be generating even better search engine rankings that would bring them more visitors and potential customers. Navicom should create and implement a unified keyword strategy where they would put emphasis on the most common keywords used in the markets. By using a unified keyword strategy when updating the website they would eventually get more visitors directed to Navicom's webpage from search engines.

#### 6.1.2 Email marketing

Navicom will activate email marketing. The main focus of the emails will be communicating the new legislatorial changes from the Tax Administration to the potential customers. As CEO Tommi Mertsalmi has noticed when talking to customers there is not yet a great awareness of the new tax regulations. Navicom's service will help the companies in tax reporting and make the transition period smooth. This service offering is still widely unknown and this is why it has been chosen to be the basis of the emailing campaign.

After comprising an informative email message the emailing process will start from the company's already existing email contacts. This part of the campaign is relatively uncomplicated and straightforward. The tricky part is acquiring new email contacts. There is an apparent need for Navicom to expand their opt-in list so that they could get their message out to a wider audience. This expansion could be done by implementing a landing page, discussed in chapter 5.2.2, that would collect a list of new email addresses. This is linked directly to the social media part of the marketing communications plan. Social media marketing and its affectivity link straight to the overall success of the marketing campaign.

### 6.1.3 Social media marketing and webpages

Social media marketing is hugely popular these days but because of the nature of B2B markets it will not be emphasized that much in Navicom's case. My suggestion would be to activate presence in Facebook and to join Twitter and start using it as the main channel for social media marketing communications. Twitter is in my opinion more suitable for B2B than Facebook which is largely aimed at individual consumers. Twitter offers an option to build a network of potential customers within the industry Navicom operates. It also is a good platform to discuss current issues regarding the industry. This could also bring more traffic to Navicom's website. Twitter and Facebook could be used to generate more traffic to the website by sharing website content that would inform followers of Navicom's product and service offerings.

### 6.1.4 Relationship marketing

Relationship marketing is one of the most important ways to market your company in B2B markets. It is relatively inexpensive and it can be executed in many various ways. Navicom should always keep in mind relationship marketing's benefits. Few of the most important benefits are customer retention, customer satisfaction and thus improved sales figures. Good customer relationships with existing customers also increase the probability that the customer will recommend Navicom to their own business contacts.

My suggestion for Navicom's relationship marketing is that it should be integrated within the business processes. It should become a custom that the sales representative or the CEO will contact customers on a regular basis to check up whether they are satisfied or not or if they would want to make some alterations to their existing services. This contact could be done via email or face-to-face when talking to a big customer. Other kind of relationship building could be done by visiting conventions and trade fairs and build relationships with other companies' personnel face-to-face.

### 6.1.5 Performance analysis and further development

Measuring the communications mix results is the second last step in Kotler's marketing communications development framework. After the implementation of the communications plan the company has to measure the impact it has had in the market (Kotler, 2012, 494). If this part of the communications plan is not executed the company has no idea whether their campaign had any impact or was it just a waste of resources.

A way for Navicom to determine whether the campaign was successful or not, is to examine more closely the website visitor statistics, sales figures and Facebook page statistics. It is also possible for them to track the affectivity of email advertising by studying the total open-rate and click-rate of the emails. The affectivity of relationship marketing should also be monitored. Navicom could conduct a small survey in which customers can share their opinions about the quality of customer service.

Performance analysis is an important part of the marketing process because it gives tips to the future marketing campaigns. By thorough analysis it is possible to see what methods do not yield the desired effect and they can be modified or even be left out of the next campaign. If performance analysis is not done it might be impossible to identify which communications methods worked and which were useless.

## 6.2 Conclusions

This chapter concludes this thesis. It will analyze the findings based on the theoretical part and answer the research questions. Navicom's marketing communication plan is also reviewed.

Research questions:

- What is the most suitable marketing communications mix for the case company Navicom Oy?

- What challenges Navicom could face in implementing marketing communications?
- What are the most suitable marketing communications tools available for B2B sector?

The most suitable marketing communications mix based on the analysis is in my opinion a mix of email-marketing campaign, relationship marketing and search engine optimization. Alongside these Navicom should also strengthen their presence in Facebook and Twitter. The benefits of relationship marketing can be seen in customer satisfaction and possibly making new business contacts and potentially acquiring new customers. An email-marketing campaign will raise awareness of the upcoming legislation changes in the construction sector and it will also introduce the services Navicom has to offer regarding it. Search engine optimization will improve Navicom's webpage ranking. Search engine ranking will bring more traffic to the website. Because the company knows what keywords are directing potential customers to the webpages it makes it easier for Navicom to design the URL structure, text and meta description in a way that yields more traffic.

Finding the most suitable marketing communications methods is hard for any company and this was the case in Navicom's communications development process as well. It is vital to know what your audience is and how to best reach them in order to plan a successful communication strategy. Also the size and limited resources of the company make the process more demanding. The company has to have a strict budget so that it will not waste valuable resources on something that is of no use.

The most suitable marketing communications tools for the B2B sector in my opinion are relationship marketing, email-marketing, search engine optimization and industry specific print media advertising. With these tools a small company can build an extensive marketing communications strategy that will ensure visibility and allows future business success. With the help of these tools a company can reach a large portion of its target audience and communicate their message to them efficiently without wasting excess resources.

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